

## **Property taxes: On candy and cod liver oil**

For the purpose of argument, I'm going to say that the democratic process, at some level, is about who gets candy and who gets cod liver oil. When one group gets their way, they've almost never asked for fish oil.

Although it may elude children, adults know in the long run who the winner will be on the health front, and it's *not* the recipient of the candy.

While you won't actually see "candy and cod liver oil" on the ballot, I've learned through three conversations on property taxes sponsored by The Village Square this year, that's partly what the January 29th vote will be about.

The Village Square is a nonprofit community forum created by a bipartisan group of community leaders in Tallahassee who think that when important decisions must be made, we should replace the standard playground brawl with real conversation.

To that end, we invited politically diverse speakers who are knowledgeable on the property tax issue to educate us. Then rather than arguing, we listened.

While there was substantial disagreement on just how many teaspoons of cod liver oil (in the form of budget cuts) government should take, there was wide agreement on some fundamentals.

It seems that Florida is having a bit of a chow down lately courtesy of "Save Our Homes" and we're starting to pay the price.

Before "Save Our Homes" passed in 1992, capping the property tax increase for homesteaded property owners at 3%, we all paid our fair share. After "Save Our Homes" we have kept taxes low for the majority on the backs of the minority. Blessed with the sunshine people want, Florida has until recently been able to make ends meet because new residents, first-time homebuyers, snowbirds, renters and those wanting to do business in this great

state remained willing to foot the bills.

But now these people are carrying pitchforks over the taxes they are paying; there just aren't enough of them numerically to prevail at the ballot box. Sooner or later though, and it may be sooner in the form of decreased tourism and a slowed real estate market, these villagers are going to poke us with their pitchforks.

As if that weren't enough, "Save Our Homes" has had another unintended consequence.

When local governments make spending decisions, it is fundamental to representative democracy that they have to run the gauntlet with citizens to raise taxes. But because the burden of increases has been borne by the minority, most of us never felt it in our pocketbooks so we never showed up at "city hall". Spending, as a result, tended to creep up.

Like most legislative results of the democratic process, Amendment 1 imperfectly attempts to tackle the problem. Non-homesteaded property owners will have a 10% cap on tax increases, businesses get tangible personal property exemptions, and the 3% annual homestead tax increase cap will be portable to a new home (if it passes constitutional muster). Making the amendment attractive to more voters is a doubling of the homestead exemption (less the percentage dedicated to schools).

Many feel what will ultimately be required to restore tax fairness to Florida, along with cuts in spending, is to either abandon the wildly popular "Save Our Homes" or make it more equitable. But with Amendment 1 giving most of us our dessert *now* – in the form of portability and doubling the homestead exemption – it might become impossible for 60% of Floridians to vote to take the prescribed medicine later.

One of the forum's speakers, Florida TaxWatch President and CEO Dominic Calabro evoked Walt Kelly's long-running comic strip Pogo: "We have met the enemy and he is us."

There has been a time or two in history (think Rome) when the

people's demand for "candy" has gotten the better of them and the whole civilization came crashing down. I, for one, think this particular democracy is capable of better.

You know, now they make cod liver oil in pills that don't give you fish-burp.

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*Liz Herbert Joyner is the Executive Director of The Village Square. You can go to their website at [www.tothevillagesquare.org](http://www.tothevillagesquare.org) to see notes from the forum and thoughts on wisdom and common ground.*